



Air Quality Permitting Statement of Basis

September 9, 2005

**Tier I Operating Permit No. T1-030416
The Amalgamated Sugar Co., LLC, Paul
Facility ID No. 067-00001**

*Prepared By:
Bill Rogers
Regional Permit Program Coordinator
Air Quality Division*

FINAL

Table of Contents

ACRONYMS, UNITS, AND CHEMICAL NOMENCLATURE.....	3
1. PURPOSE.....	4
2. FACILITY DESCRIPTION.....	4
3. FACILITY/AREA CLASSIFICATION	4
4. PROJECT SCOPE	4
5. SUMMARY OF EVENTS	4
6. REGULATORY REVIEW	5
7. PUBLIC COMMENT / AFFECTED STATES / EPA REVIEW SUMMARY	5
8. RECOMMENDATIONS	5
APPENDIX A (AIRS INFORMATION)	
APPENDIX B (STIPULATION TO DISMISS WITH PREJUDICE)	
APPENDIX C (PUBLIC COMMENTS AND DEQ RESPONSES)	
APPENDIX D (EPA LETTER IN RESPONSE TO PROPOSED PERMIT)	

Acronyms, Units, and Chemical Nomenclature

AIRS	Aerometric Information Retrieval System
AQCR	Air Quality Control Region
CO	carbon monoxide
DEQ	Idaho Department of Environmental Quality
EPA	U.S. Environmental Protection Agency
HAPs	hazardous air pollutants
IDAPA	a numbering designation for all administrative rules in Idaho promulgated in accordance with the Idaho Administrative Procedures Act
NO_x	oxides of nitrogen
PM	particulate matter
PM₁₀	particulate matter with a mean aerodynamic diameter of a nominal 10 microns
PSD	Prevention of Significant Deterioration
Rules	Rules for the Control of Air Pollution in Idaho
SO₂	sulfur dioxide
TASCO	The Amalgamated Sugar Co., LLC
UTM	Universal Transverse Mercator
VOC	volatile organic compounds

1. PURPOSE

The purpose of this memorandum is to satisfy the requirements of IDAPA 58.01.01.300-397, Rules for the Control of Air Pollution in Idaho, for issuing Tier I operating permits.

2. FACILITY DESCRIPTION

This facility processes sugar beets into refined sugar. The facility consists of two main production lines, the Beet End and the Sugar End, as well as support equipment for each line. Both lines are housed in the main mill complex. At the Beet End, sugar beets are processed into thick juice and byproducts. The byproducts are further processed into animal feed. At the Sugar End, thick juice is processed into dry sugar and molasses.

3. FACILITY/AREA CLASSIFICATION

This facility is classified as a major facility for both Tier I operating permit requirements and PSD permitting requirements because the facility emits or has the potential to emit SO₂, NO_x, CO, PM₁₀, PM, and HAPs at major source levels. The facility is not a designated facility as defined by IDAPA 58.01.01.006.27. The AIRS facility classification is "A" for all the above pollutants and "B" for VOCs. The SIC code defining the facility is 2063.

This facility is located within AQCR 63 and UTM zone 12. The facility is located in Minidoka and Cassia Counties. This area is classified as unclassifiable for all criteria air pollutants.

The AIRS information provided in the Appendix A defines the classification for each regulated air pollutant. This required information is entered into the EPA AIRS database.

4. PROJECT SCOPE

TASCO's Tier I Operating Permit No. 067-00001 was reopened for cause, in accordance with IDAPA 58.01.01.386.01.c and d, to incorporate revisions to the permit resulting from an appeal filed by TASCO on January 16, 2003. Public participation and EPA review has been provided as required by the Rules.

5. SUMMARY OF EVENTS

- On January 16, 2003, TASCO filed a petition for contested case proceedings (an appeal) with regard to Tier I Operating Permit No. 067-00001, dated December 12, 2002 (hereafter referred to as the Existing Permit).
- On March 28, 2003, representatives of TASCO and DEQ met to discuss possible resolutions to the issues raised in the appeal. During this meeting, it was determined that a large number of the issues in TASCO's appeal of the Existing Permit stemmed from permit conditions that were based on incomplete or inaccurate information, typographical errors, and/or where clarification of some terms within the permit was needed. TASCO and DEQ mutually agreed to drop some issues that were inconsequential (i.e. the issues had no bearing on the compliance status of the facility). The permit was not changed in response to the inconsequential issues.
- TASCO presented new information regarding several units at the facility during the March 28, 2003, meeting and in a letter dated June 6, 2003.

- Based upon the new information presented or submitted by TASCO, DEQ determined that the Existing Permit could be reopened for cause, in accordance with IDAPA 58.01.01.386.01.c, to revise affected terms of the permit.
- On February 19, 2004, DEQ and TASCO formally agreed to resolve the contested case issues by signing a stipulation to dismiss the appeal. The conditions upon which both parties agreed upon to dismiss are included as Appendix B.
- Based on the stipulation agreement, DEQ crafted a draft permit. On August 24, 2004, DEQ provided the draft permit for public comment as required by IDAPA 58.01.01.386.02.a. The public comment period ran from September 9 through October 8, 2004. Only TASCO provided comments during the comment period. Those comments, and DEQ's responses, are included as Appendix C.
- A proposed permit was then developed and provided to EPA for its review on October 28, 2004. EPA's response regarding the proposed permit is as follows: "EPA will not be reviewing the proposed modification to the permit action and will not object to its issuance." EPA's December 6, 2004 letter is attached as Appendix D.

6. REGULATORY REVIEW

This section describes the regulatory analysis of the applicable air quality rules with respect to this Tier I operating permit revision.

IDAPA 58.01.01.386.01.c and dReopening for Cause

- c. The DEQ or EPA determines that the Tier I operating permit contains a material mistake or inaccurate statements where used or considered in establishing the emissions standards or other terms or conditions of the Tier I operating permit; or
- d. The DEQ or EPA determines that the Tier I operating permit does not ensure compliance with the applicable requirements.

7. PUBLIC COMMENT / AFFECTED STATES / EPA REVIEW SUMMARY

- A 30-day public comment period for the TASCO draft Tier I operating permit was provided in accordance with IDAPA 58.01.01.364 of the *Rules*.
- IDAPA 58.01.01.008.01 defines *affected states* as all states "...whose air quality may be affected by the emissions of the Tier I source and that are contiguous to Idaho; or that are within 50 miles of the Tier I source.

A review of the site location information included in the permit application indicates that the facility is located with 50 miles of two state borders. Therefore, the states of Nevada and Utah were provided an opportunity to comment on the draft Tier I operating permit.

- The facility was the only entity to provide comments on the draft permit. DEQ revised the permit accordingly based on the comments, developed a proposed permit and provided it to EPA for review. As required by IDAPA 58.01.01.386.

8. RECOMMENDATIONS

Based on state rules and federal regulation, staff recommends that DEQ provide issued revised Tier I Operating Permit No. T1-030416 to TASCO for its MiniCassia facility in Paul.

Please note, TASCO has fulfilled the requirements of Permit Conditions 13.2 and 13.3 by submitting a facility-wide permit application. This application was received by DEQ September 3, 2004. Section 13 (Compliance Schedule) has not been deleted from this revised permit because (1) TASCO did not request that it be deleted, and (2) the draft permit for public comment and the proposed permit for EPA review both contained this section of the permit. Removing Section 13 at this point would require that the permit be provided for public comment, affected states review, and EPA review. Retaining Section 13 at this point has no effect on the compliance status of the facility with respect to the permit because the requirements of Section 13 have been fulfilled. Section 13 will be deleted from the permit in the facility's upcoming Tier I operating permit renewal. The renewal application was received by DEQ June 10, 2005.

BR/sd Permit No. T1-030416 G:\Air Quality\Stationary Source\SS Ltd\T1\TASCO - MiniCassia Appeal\Final\T1-030416 Final SB.doc

APPENDIX A
AIRS INFORMATION

AIRS/AFS^a FACILITY-WIDE CLASSIFICATION^b DATA ENTRY FORM

Facility Name: TASCO – MiniCassia Facility
Facility Location: Paul, Idaho
AIRS Number: 067-00001

AIR PROGRAM POLLUTANT	SIP	PSD	NSPS (Part 60)	NESHAP (Part 61)	MACT (Part 63)	SM80	TITLE V	AREA CLASSIFICATION A-Attainment U-Unclassified N- Nonattainment
SO ₂	A	A					A	U
NO _x	A	A	A				A	U
CO	A	A					A	U
PM ₁₀	A	A					A	U
PT (Particulate)	A	A					A	U
VOC	B						B	U
THAP (Total HAPs)	A						A	U
			APPLICABLE SUBPART					
			DB					

^a Aerometric Information Retrieval System (AIRS) Facility Subsystem (AFS)

^b AIRS/AFS Classification Codes:

- A = Actual or potential emissions of a pollutant are above the applicable major source threshold. For HAPs only, class "A" is applied to each pollutant which is at or above the 10 T/yr threshold, or each pollutant that is below the 10 T/yr threshold, but contributes to a plant total in excess of 25 T/yr of all HAPs.
- SM = Potential emissions fall below applicable major source thresholds if and only if the source complies with federally enforceable regulations or limitations.
- B = Actual and potential emissions below all applicable major source thresholds.
- C = Class is unknown.
- ND = Major source thresholds are not defined (e.g., radionuclides)

APPENDIX B

***STIPULATION TO DISMISS
WITH PREJUDICE***

Attorney General, hereby stipulate and agree, subject to the conditions contained herein, to the dismissal of the above-captioned matter. Except as provided in paragraph 3(f) of this stipulation, dismissal shall be with prejudice as to all matters raised in the January 16, 2003 Petition for Contested Case Proceedings and Request for a Stay of Permit Conditions (the Petition).

1. On January 16, 2003, TASCOS filed the Petition with the Board of Environmental Quality, challenging conditions of Air Quality Tier I Operating Permit No. 067-00001, issued on December 12, 2002 for TASCOS's Sugar Refining Facility in Paul, Idaho (the "Tier I Permit").

2. On February 19, 2003, March 28, 2003, and July 1, 2003, the Department and TASCOS met to discuss resolution of the matters raised in the Petition.

3. The Department and TASCOS hereby stipulate and agree to the dismissal of the Petition upon the following conditions.

a) The Department will re-open the Tier I permit for cause pursuant to IDAPA 58.01.01.386 and reissue the Permit (the Revised Tier I Permit) in accordance with applicable law to address material mistakes and inaccurate statements related to terms or conditions of the Tier I permit and to otherwise clarify terms and conditions in the permit to assure compliance with the applicable requirements.

b) TASCOS hereby agrees to waive the notice requirements of IDAPA 58.01.01.386.02.b.

c) The matters to be addressed in the reopening of the Tier I permit and the reissuance of the Revised Tier I Permit shall be as follows:

- i. Conditions 2.11, 3.12, 4.12, 5.3, 6.3, 7.3, 8.3, 9.4, 10.3, and 11.3 of the Tier I permit shall be revised with respect to requirements related to preparation of Operation and Maintenance (O&M) manuals. These revised requirements will be contained as Facility-Wide Condition 1.21 for all affected units. In lieu of Departmental review and approval of O&M manuals, the Department shall specify operating parameters for pollution control devices sufficient to assure compliance with applicable requirements.
- ii. Conditions 1.16 and 1.16.1 of the Tier I Permit shall be deleted to remove requirements limiting the sulfur content of any fuel oil used at the facility and associated monitoring and recordkeeping requirements.
- iii. Appendix B of the December 6, 2002 Technical Analysis (Response to Comment No. 28) shall be addressed in the Statement of Basis supporting the latest Permit Action.
- iv. Section 13 of the Tier I permit shall be revised to delete reference to the sixth evaporator and to modify statements regarding TASCOS's compliance status.

d) In addition to the matters addressed in paragraph c) above, the Department will review the Tier I permit and Technical Memorandum and correct typographical errors and other matters as appropriate.

e) The Department agrees to process the Revised Tier I Permit attached as Exhibit 1 in accordance with IDAPA 58.01.01.386.

f) TASCOCO contends that Section 11 of the Tier I Permit erroneously classifies the Lime Kiln Material Handling Baghouses as control equipment thus subjecting the underlying emission units to monitoring and record keeping requirements. TASCOCO contends the baghouses are process equipment and thus the units should be deemed insignificant activities. See Petition ¶¶ III.D. For purposes of resolving this Petition for Contested Case, TASCOCO and the Department hereby agree to the withdrawal and dismissal of this allegation without prejudice to TASCOCO's right to seek modification of the Tier I permit in subsequent administrative actions. Dismissal of this action shall preclude the initiation of further contested case proceedings related to the Revised Tier I Permit but shall not preclude TASCOCO from seeking modification of Section 11 of the Permit through the provisions of IDAPA 58.01.01.382-383 and seeking contested case review of decisions made related to those proceedings.

g) Each party agrees to bear its own costs and attorney fees.

//

//

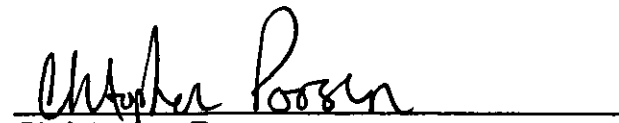
//

DATED this 19th day of February, 2004.

A handwritten signature in black ink, appearing to read 'Darrell Early', written over a horizontal line.

Darrell Early
Attorney for the Idaho Department of Environmental Quality

DATED this 19th day of February, 2004.

A handwritten signature in black ink, appearing to read 'Christopher Pooser', written over a horizontal line.

Christopher Pooser
Attorney for Amalgamated Sugar Co., LLC

CERTIFICATE OF SERVICE

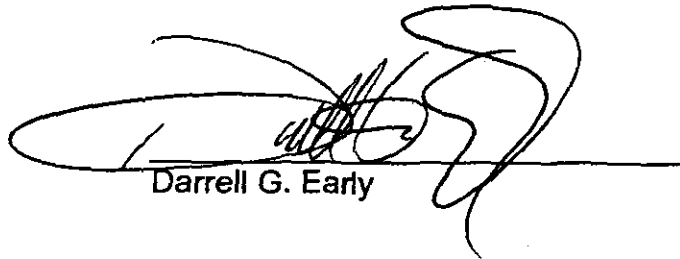
I HEREBY CERTIFY that on this 19th day of January, 2004, a true and correct copy of the foregoing STIPULATION TO DISMISS WITH PREJUDICE was served on the following as indicated below:

Kim W. Toryanski
Toryanski Group LLP
913 W. River St.
Boise, ID 83702

- ☒ United States Mail, Postage Prepaid
- ☐ Facsimile to 208-947-8140
- ☐ Hand Delivery
- ☐ Overnight Courier

Krista McIntyre
Christopher Pooser
Stoel Rives LLP
101 S Capitol Blvd Ste 1900
Boise ID 83702-5958

- ☐ United States Mail, Postage Prepaid
- ☐ Facsimile to 208-389-9040
- ☒ Hand Delivery
- ☐ Overnight Courier



Darrell G. Early

APPENDIX C

PUBLIC COMMENTS AND DEQ RESPONSES

Public Comments and Response to Comments

The following 17 comments were provided by TASCO. For reference, a copy of the comments provided is attached as the Appendix to this document.

Comment #1 Mailing address: Correct address is Box 700, Paul, ID 83347

Response to #1 The permit was revised in response to the comment.

Comment #2 Facility Contact: Correct Facility Contact is Alan Hieb

Response to #2 The permit was revised in response to the comment.

Comment #3 Responsible Official: Correct Responsible Official is Alan Hieb

Response to #3 The permit was revised in response to the comment.

Comment #4 Permit Condition 1.14. Fourth line of condition appears to be missing a word. A suggested wording change is as follows: Three years after the date on which a regulated substance is present above a threshold . . .

Response to #4 This comment is in regard to Permit Condition 1.14, *Regulated Substances for Accidental Release Prevention (40 CFR 68.10(a))*. This regulation establishes the compliance date of the Chemical Accident Prevention Provisions when a facility has more than a threshold quantity of a regulated substance. Permit Condition 1.14, although paraphrased, is consistent with 40 CFR 68.10(a). Permit Condition 1.14 states the following:

An owner or operator of a stationary source that has more than a threshold quantity of a regulated substance in a process, as determined under 40 CFR 68.115, shall comply with the requirements of the Chemical Accident Prevention Provisions in 40 CFR 68 no later than the following dates:

- Three years after the date on which a regulated substance present above a threshold quantity is first listed under 40 CFR 68.130.*
- The date on which a regulated substance is first present above a threshold quantity in a process.*

The first bulleted requirement states that once a regulated substance is listed and present above a threshold quantity, the owner or operator has three years to comply with the associated Chemical Accident Prevention Provisions. Adding the word “is” as proposed changes the meaning of the requirement; therefore, the permit has not been changed as requested.

Comment #5 Permit Condition 1.18. First sentence of this condition is not worded correctly, please correct. Sentence reads as follows: No Person shall not discharge to the atmosphere . . .

Response to #5 The word “not”, as underlined above, has been deleted from Permit Condition 1.18 in response to the comment.

Comment #6 **Permit Condition 1.21.4. First sentence of this condition appears to be missing a word. A suggested wording change is as follows: The O&M manuals should be maintained onsite and shall be made available . . .**

Response to #6 The word “be”, as underlined above, has been deleted from Permit Condition 1.21.4 in response to the comment.

Comments #'s **7, 8, 10, 11, 12, 14, 15, 16, and 17**
Permit Conditions 2.0, 3.0, 5.0, 6.0, 7.0, 8.0, 9.0, 10.0, and 11.0

There is a typographical (typo) error in the second sentence of the condition. A suggested wording change is as follows: This description is for informational purposes only.

Response to #'s **7, 8, 10, 11, 12, 14, 15, 16, and 17**

The word “is”, as underlined above, has been added to the permit conditions as requested.

Comment #9 **Permit Condition 4.5. The first sentence under the 6th bullet appears to have an extra word. A suggested wording change is as follows: If the PM measured during the initial compliance test . . .**

Response to #9 The permit condition has been revised in response to the comment.

Comment #13 **Permit Condition 7.1b. The process weight equation in part b is incorrect. The equation should read as follows: $E = 1.10(PW)^{0.27}$. Also, the IDAPA reference should be changed to IDAPA 58.01.01.701.**

Response to #13 The permit condition has been revised in response to the comment.

APPENDIX D

***EPA LETTER IN RESPONSE TO
PROPOSED PERMIT***

DECEMBER 6, 2004



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue
Seattle, WA 98101

Reply To
Attn Of: AWT-107

December 6, 2004

William Rogers
Regional Permit Program Coordinator
Idaho Department of Environmental Quality
1410 North Hilton
Boise, Idaho 83706-1255

Re: Proposed Modification to Operating Permit for Amalgamated Sugar Co, Paul (067-00001)

Dear Mr. Rogers:

Thank you for the opportunity to review the above mentioned proposed modification to the Title V operating permit.

In accordance with IDEQ's regulations and Section 505(b)(1) of the Clean Air Act, 42 U.S.C. §7661d(b)(1), and the implementing regulations at 40 C.F.R. §70.8(c), the Environmental Protection Agency (EPA) has 45 days from receipt of the proposed modification to the permit and all necessary supporting documentation to object in writing to its issuance. We are writing to notify you that EPA will not be reviewing the proposed modification to the permit action and will not object to its issuance. The modification to the permit is now eligible for issuance.

EPA's determination not to object to this modification to the permit in no way affects the public's right to petition the Administrator, pursuant to Section 505(b)(2) of the Clean Air Act, 42 U.S.C. §7661d(b)(2), and implementing regulations at 40 C.F.R. §70.8(d), to object to this permit modification. The time for filing such a petition shall remain open for 60 days after the end of the 45-day period, which commenced on October 28, 2004.

Further, the terms contained in the above referenced permit modification are specific to this facility and do not create conditions for the use, operation, or reliance of any other party. Please note that if the permit modification is later found to require corrective steps (including, but not limited to, reopening the permit for cause), the expiration of both EPA's review period and the public petition period without EPA objection does not compromise the Agency's authority to take such measures.

If you have any questions or concerns regarding this letter or would like to discuss these matters further, please contact me at (206) 553-6641.

Sincerely,

Jeff KenKnight, Manager
Federal & Delegated Air Programs Unit
Office of Air, Waste and Toxics